



Ninety-Ninth Legislature - First Session - 2005
Introducer's Statement of Intent
LB 189

Chairperson: Ed Schrock
Committee: Natural Resources
Date of Hearing: February 10, 2005

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 189 would establish a renewable portfolio standard for all retail electricity suppliers who sell to Nebraska residents. Beginning January 1, 2007, each retail electricity supplier would be required to have 1% of its total kilowatt-hours sold to retail customers in Nebraska come from a renewable energy source. The percentage would increase 1% each year until 2017 when it would cap at 10% thereafter. The Nebraska Power Review Board is authorized to oversee and enforce this program.

Eligible renewable energy resource includes electricity generated from wind, solar, landfill gas, geothermal energy, fuel cells, or biomass. Retail electric suppliers may purchase credits from other suppliers if they do not have the required number of credits in a given year. Failure to acquire the required number of credits will result in a penalty of 3 times the value of the credits. Any penalty monies will go to the permanent school fund. The bill earmarks the interest from such penalty funds to be used exclusively for the development of renewable energy generation by the school districts.

The purpose of the bill is to advance renewable energy technologies by creating a stable policy that will enable long-term financing and contracts. This will result in lower costs and a more stable energy economic environment when there is less reliance on the volatile prices of fossil-fuels. Currently, Nebraska public power districts spend over \$110 million annually for coal and transportation-related costs to bring the coal to the plants. Rather than exporting these dollars, Nebraska could, at a minimum, invest these dollars in rural Nebraska to benefit the local economies, and also look at becoming an exporter of green energy to markets seeking energy production from renewable energy sources.

In addition, the environmental, health, and fiscal benefits from reducing our dependence on fossil-fuel energy sources will accrue to all citizens including:

1. Reduced fish advisories and impaired water due to mercury from fossil-fuel emissions;
2. Decreased public Medicaid expenditures caused by pollution emissions from coal-fired plants;
3. Reduction in asthma and other respiratory-related illnesses; and
4. Reduced regulatory costs because renewable energy generation sources do not require oversight costs other generation sources do for permitting, or for example, for air and waste permits.

Principal Introducer:

Senator Don Preister